

# FEDERAL FLEET AFV PROGRAM STATUS

June 2, 1998

## **Requirements**

Energy *Policy Act of 1992*, Section 303, established requirements for Federal acquisition of alternative fuel vehicles (AFV). Requirement was Federal government wide from fiscal year (FY) 1993 through 1995 (5,000 in FY 1993, 7,500 in FY 1994, and 10,000 in FY 1995). Beginning in FY 1996 the requirement became a percentage of each agency's covered vehicle acquisitions (25% in FY 1996, 33% in FY 1997, 50% in FY 1998, and 75% in FY 1999 and beyond). Covered acquisitions are non-police or national defense, light-duty (<8,500 lb) vehicles acquired by fleets of at least 20 vehicles located in a Metropolitan Statistical Area (MSA) of 250,000 or more people as defined by 1980 census data.

*Executive Order 13031*, directed Federal agencies to comply with the requirements of EPACT within their own budgets. The order also created a requirement that each agency report to the Office of Management and Budget on the agency's compliance with EPACT as part of the agency's annual budget submission. In addition, extra credits were established for dedicated medium and electric vehicles, two credits each, and dedicated heavy vehicle, three credits; and a program to provide funds to buy-down the incremental cost of EVs was established.

## **Acquisition Overview**

Due to the large quantities of vehicles in the Federal fleet, over 570,000 including all vehicle classes, and the distribution of these vehicles among numerous locations and fleets within the various Federal agencies, obtaining accurate AFV and covered vehicle acquisition numbers is difficult at best. However, initial estimates for Federal AFV acquisitions for FYs 1997 and 1998 bring the cumulative Federal AFV acquisition total to more than 34,000 AFVs. This represents nearly 80 percent of the estimated total EPACT requirement of 44,600 through FY 1998.

Of the 34,000+ AFVs acquired by Federal agencies, approximately 10,000 (30 percent) have been M-85 flexible fuel vehicles, 6,000 (17 percent) have been E-85 flexible fuel vehicles, and 18,000 (52 percent) have been compressed natural gas (CNG) vehicles. Several hundred each of electric and liquefied petroleum gas (LPG or propane) vehicles have also been acquired.

Conversions of existing gasoline vehicles to operate on CNG make up the majority of the 18,000 CNG vehicles acquired. These conversions were predominantly performed on US Postal Service and Department of Defense vehicles. However, new Environmental Protection Agency regulations covering vehicle conversions have drastically reduced the number of conversions being performed on Federal vehicles and future CNG acquisitions will be original equipment manufacturer vehicles for the most part.

Projections for future Federal AFV acquisitions, based on discussions with Federal agencies' procurement personnel and manufacturers, indicate that flexible fuel E-85 vehicles will be the

most common AFV procured by agencies' to comply with EPACT, followed by CNG. This is due to the expanded availability of E-85 vehicles in classes not covered by other alternative fuels, i.e., compact pickups and minivans, and the negligible incremental cost of these AFVs. As a result of these projections, work is underway to rapidly expand the ethanol infrastructure so that these vehicles will not run solely on gasoline. In addition, methods are being explored to determine how to require the use of alternative fuel in Federal AFVs.

### **Federal Fleet AFV Program Results**

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<b>Fiscal Year</b>	<b>AFV Requirement</b>	<b>AFV Acquisitions</b>
1991 & 1992	N/A	3,914
1993	5,000	4,522
1994	7,500	7,971
1995	10,000	3,927
1996	6,500	6,038
1997	5,600 (est.)	2,553 (est.)
1998	10,000 (est.)	5,500 (est.)
<b>Totals</b>	44,600	34,425